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4 600 15		UNCIL	CITY ATTORN	NEY				October 9, 2007	
4. SUBJE	Furgato	h v. San Diego development A	Unified Port Distr (gency)	ict, et al. wai	ver of a	attorney-client	t and attorney	work product privi	leges
5. PRIMA	RY CONTACT (NAM	E, PHONE, & MAIL ST	A.) 6. SECONE	ARY CONTACT (N.	AME, PHOI	NE, & MAIL STA.)	7. CHECK BOX IF RE	PORT TO COUNCIL IS ATT	ACHED
John F	Riley (236-726	53)	· · · · · · · · · · · · · · · · · · ·	Carlyle (235-					
			8.COMPL	ETE FOR AC	COUNT	ING PURPOS		NAT INCOME A WAR A POTTER	AA A TED COOK
FUND			-				9. ADDITIO	NAL INFORMATION / ESTI	MATED COST:
DEPT.				·			Fisc	al Impact: None.	
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terr		urchase and sale	ttorney work produc contract with the Sa					cribing the City's re	asons for
	STAFF RECOMMEN VILEGES IN TH		ΓΥ SHOULD APPROVE	THE RESOLUT	OT NOI	WAIVE ITS ATTO	ORNEY-CLIENT A	ND ATTORNEY WOR	K PRODUCT
12.	SPECIAL CON	DITIONS (REFER	TO A.R. 3.20 FOR INF	ORMATION OF	N COMP	LETING THIS SI	ECTION.)		
<u>co</u>	UNCIL DIST	RICT(S): N/	A						
<u>CO</u>	MMUNITY A	REA(S): N/	Ą						
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### EXECUTIVE SUMMARY SHEET CITY OF SAN DIEGO

DATE ISSUED:

October 3, 2007

ATTENTION:

Council President and City Council

Docket of October 9, 2007

ORIGINATING DEPARTMENT: City Attorney

SUBJECT:

Harvey Furgatch v. San Diego Unified Port District, et al.

COUNCIL DISTRICT(S):

CONTACT/PHONE NUMBER: John Riley, Deputy City Attorney, 619-533-5800

<u>REQUESTED ACTION:</u> That the City waive its attorney client and attorney work product privileges relative to its reasons for terminating the purchase and sale contract with the San Diego Unified Port District for the sale of Tailgate Park.

STAFF RECOMMENDATION: Approve the requested action.

EXECUTIVE SUMMARY: In February 2000, the City entered into a purchase and sale agreement with the San Diego Unified Port District [Port] whereby the Port would pay \$21 million for four parcels of land commonly known as Tailgate Park. The agreement benefited the City by providing funds for the ball park development. The Port would obtain the right to use the land for event parking and also enter into a lease agreement with the Padres to operate parking during the baseball games.

Plaintiff Harvey Furgatch, a former Port Commissioner, sued the Port to prevent the expenditure of Port funds for this purchase. The City intervened as an interested party. Plaintiff alleged that the land was overvalued, that it was outside of the tidelands managed by the Port and that the Port did not need additional parking.

The Port paid an initial amount of approximately \$14 million dollars pending the finalization of the sale. At issue and a barrier to the finalization of the sale was the control the City would have over future use of this property. Thus, the City insisted that the land be subject to a conditional use permit [CUP]. The Port wanted to take the property free of land use restrictions. Because the parties failed to agree on this term, the City terminated the contract in August 2005. The City returned the amount of \$14 million plus interest to the Port.

The City's termination of the contract occurred during the trial of this [Furgatch's] lawsuit. The trial court deemed the matter moot and dismissed the lawsuit. Plaintiff brought a motion for attorney's fees alleging his lawsuit, despite the dismissal, was a substantial factor in bringing about the termination of the purchase and sale agreement. The Court denied that motion. Plaintiff appealed and the appellate court remanded this matter to the trial court to allow Plaintiff

discovery regarding the reasons why the City terminated the agreement. Further, the motion for attorney fees will be reheard by the trial court after completion of discovery.

The City terminated the contract because it could not reach agreement with the Port regarding a CUP related to the Port's use of the property after the sale. Also, the value of the land had increased significantly since the signing of contract in 2000 and the ball park was funded by the time the City terminated the sale to the Port. These reasons for termination are explained in documents protected by the attorney client and attorney work product privileges. Similarly, City personnel most knowledgeable with the reasons for the termination of the contract will need to discuss information related to these privileges.

The scope of the waiver will be limited to the documents and deposition testimony associated with the reasons why the City terminated the purchase and sale agreement.

<u>FISCAL CONSIDERATIONS</u>: Plaintiff seeks in excess of one million dollars in fees and costs. This is a contingent liability based upon Plaintiff showing that his lawsuit is a substantial factor in the City's determination to terminate the contract.

<u>PREVIOUS COUNCIL and/or COMMITTEE ACTION:</u> On September 4, 2007, Council, in closed session casting a nonbinding vote, motion by Atkins, seconded by Madaffer, Districts 1 and 5 absent, voted 6 – 0 in favor of waiving the attorney-client and attorney work product privileges. Council previously, in May 2005, authorized the termination of the contract at issue.

<u>COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:</u> None with this action.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Respectfully submitted,

John Riley/Deputy City Attorney

Huston Carlyle, Chief Deputy City Attorney

#### PRIVILEGE LOG

### Harvey Furgatch v. San Diego Unified Port District San Diego Superior Court No. GIC 775242

#. ************************************	DOCUMENT DATE	DOCUMENT TYPE	- AUTHOR	BATES NO:	PRIVILEGE
1.	August 3, 2005	Memorandum	Leslie J. Girard	LG00005- 00006	Attorney/Client Attorney Work Product
2.	April 28, 2005	Memorandum	Leslie J. Girard	LG00009	Attorney/Client Attorney Work Product
3.	April 28, 2005	Memorandum	Leslie J. Girard	LG00010- 00011	Attorney/Client Attorney Work Product
4.	June 2, 1999	Letter	Mayor Golding	LG00153- 00155	Attorney/Client Attorney Work Product
5.	May 16, 2005	Memorandum	Leslie J. Girard	LG00166- 00169	Attorney/Client Attorney Work Product
6.	October 3, 2005	E-mail correspondence	Dennis Gibson	LG00229	Attorney/Client Attorney Work Product
7.	October 3, 2005	E-mail correspondence	Les Girard	LG00233	Attorney/Client Attorney Work Product
8.	September 20, 20005	E-mail correspondence	Les Girard	LG00234	Attorney/Client Attorney Work Product
9.	November 1, 2004	E-mail correspondence	Kelly Salt	LG00235	Attorney/Client Attorney Work Product
10.	November 4, 2004	E-mail correspondence	Kelly Salt	LG00236	Attorney/Client Attorney Work Product
11.	November 22, 2004	E-mail correspondence	Kelly Salt	LG00237	Attorney/Client Attorney Work Product
12.	October 22, 2004	E-mail correspondence	Kelly Salt	LG00238	Attorney/Client Attorney Work Product
13.	October 25, 2004	E-mail correspondence	Kelly Salt	LG00239	Attorney/Client Attorney Work Product

*#	DOCUMENT	DOCUMENT	AUTHOR	BATES NO:	PRIVILEGE
	DATE	TYPE		RANGE	
14.	October 25, 2004	E-mail correspondence	Kelly Salt	LG00240- 00241	Attorney/Client Attorney Work Product
15.	December 22, 2004	E-mail correspondence	Kelly Salt	LG00242	Attorney/Client Attorney Work Product
16.	February 13, 2004	E-mail correspondence	Pete Lynch	LG00243- 000244	Attorney/Client Attorney Work Product
17.	February 19, 2004	E-mail correspondence	John Dunchack	LG00245	Attorney/Client Attorney Work Product
18.	February 19, 2004	E-mail correspondence	Maroun El-Hage	LG00246	Attorney/Client Attorney Work Product
19.	February 19, 2004	E-mail correspondence	Jon Dunchack	LG00247	Attorney/Client Attorney Work Product
20.	February 19, 2004	E-mail correspondence	Stephen Shushan	LG00248- 00249	Attorney/Client Attorney Work Product
21.	April 20, 2004	E-mail correspondence	Les Girard	LG00250	Attorney/Client Attorney Work Product
22.	April 20, 2004	E-mail correspondence	Kelly Salt	LG00251- 00252	Attorney/Client Attorney Work Product
23.	April 21, 2004	E-mail correspondence	David Allsbrook	LG00253- 00254	Attorney/Client Attorney Work Product
24.	May 20,2004	E-mail correspondence	Jon Dunchack	LG00255	Attorney/Client Attorney Work Product
25.	May 20, 2004	E-mail correspondence	Kelly Salt	LG00256	Attorney/Client Attorney Work Product
26.	May 20, 2004	E-mail correspondence	David Allsbrook	LG00257	Attorney/Client Attorney Work Product
27.	May 20, 2004	E-mail correspondence	Kelly Salt	LG00258	Attorney/Client Attorney Work Product
28.	May 20, 2004	E-mail correspondence	Pete Lynch	LG00259	Attorney/Client Attorney Work

####	DOCUMENT	DOCUMENT	AUTHOR	BATES NO.	PRIVILEGE
	DATE	TYPE		RANGE	
					Product
29.	May 20, 2004	E-mail	Jon Dunchack	LG00260-	Attorney/Client
		correspondence		00261	Attorney Work
		1			Product
30.	May 20, 2004	E-mail	David Allsbrook	LG00262-	Attorney/Client
		correspondence		00263	Attorney Work
		1			Product
31.	May 20, 2004	E-mail	Kelly Salt	LG00264-	Attorney/Client
		correspondence		00265	Attorney Work
		1		:	Product
32.	May 24, 2004	E-mail	Kelly Salt	LG00266	Attorney/Client
		correspondence			Attorney Work
		<u>,</u>			Product
33.	May 24, 2004	E-mail	Pete Lynch	LG00267-	Attorney/Client
		correspondence		00268	Attorney Work
		ĺ			Product
34.	May 25, 2004	E-mail	Rachel Young	LG00269-	Attorney/Client
		correspondence		00270	Attorney Work
	<u> </u>	_			Product
35.	May 25, 2004	E-mail	David Allsbrook	LG00271	Attorney/Client
	-	correspondence			Attorney Work
		_			Product
36.	May 25, 2007	E-mail	David Allsbrook	LG00272	Attorney/Client
		correspondence			Attorney Work
		-			Product
37.	August 5,	E-mail	Brad Richter	LG00273	Attorney/Client
	2003	correspondence			Attorney Work
					Product
38.	August 22,	E-mail	Maroun El-Hage	LG00274	Attorney/Client
	2003	correspondence			Attorney Work
					Product
39.	January 15,	E-mail	Douglas	LG00281	Attorney/Client
l i	2004	correspondence	Humphreys		Attorney Work
					Product
40.	April 20, 2004	E-mail	David Allsbrook	LG00282	Attorney/Client
ĺ	;	correspondence			Attorney Work
				Y 0000000	Product
41.	May 20, 2004	E-mail	Kelly Salt	LG00283	Attomey/Client
		correspondence			Attorney Work
					Product
42.	May 20, 2004	E-mail	Jon Dunchack	LG00284	Attorney/Client
		correspondence			Attorney Work
					Product
43.	June 14, 2004	E-mail	Richard Opper	LG00285	Attorney/Client

逐#線	DOCUMENT	DOCUMENT	AUTHOR	BATES NO.	PRIVILEGE
	DATE:	TYPE	E. 1. S. J. S.	RANGE	
		correspondence			Attorney Work Product
11	A 4 12	T 11	David Allsbrook	LG00286	
44.	August 13,	E-mail	David Alisbrook	LG00286	Attorney/Client
	2004	correspondence			Attorney Work
					Product
45.	November 22,	E-mail	Richard Opper	LG00323	Attorney/Client
1	2004	correspondence			Attorney Work
					Product
46.	February 1,	E-mail	Pam Hamilton	LG00324	Attorney/Client
	2005	correspondence			Attorney Work
					Product
47.	February 11,	E-mail	Peter Hall	LG00325	Attorney/Client
	2005	correspondence			Attorney Work
İ					Product
48.	February 28,	E-mail	Les Girard	LG00326	Attorney/Client
	2005	correspondence		+	Attorney Work
					Product
49.	July 21, 2005	E-mail	Peter Hall	LG00327	Attorney/Client
	,	correspondence		ļ	Attorney Work
<b>i</b>				] 	Product
50.	Undated	Correspondence	P. Lamont Ewell	LG00328	Attorney/Client
	-				Attorney Work
Ì					Product
51.	July 29, 2005	E-mail	Les Girard	LG00330	Attorney/Client
	, , , , , , , ,	correspondence		-	Attorney Work
		, , , , , , , , , , , , , , , , , , ,			Product
52.	August 19,	E-mail	Charles Black	LG00334	Attorney/Client
	2005	correspondence			Attorney Work
:		P			Product
53.	June 24, 2003	Memorandum	Les Girard	LG00422-	Attorney/Client
001		***************************************	200 011	00424	Attorney Work
				00.21	Product
54.	Undated	Attorney notes	Les Girard	LG00500-	Attorney/Client
				00504	Attorney Work
				LG 00537-	Product
				00539	
55.	Undated	Attorney notes	Les Girard	LG00572-	Attorney/Client
	<b>-</b>			00574	Attorney Work
					Product
56.	March 15,	Memorandum	Les Girard	LG00642-	Attorney/Client
-0.	2001	1.121101010000011		00643	Attorney Work
				00015	Product
57.	February 6,	Memorandum	Les Girard	LG00655	Attorney/Client
57.	2002	MATCHIOLOUGHCOUNT	Les Offaid	E000033	Attorney Work
	2002				THURST WOLK

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	DATE	TYPE		RANGE	
				·	Product
58.	June 24, 2003	Memorandum	Les Girard	LG00825-	Attorney/Client
				00827	Attorney Work
					Product
59.	June 11, 2003	E-mail	Philip Phillips	LG00828	Attorney/Client
		correspondence			Attorney Work
1		_			Product
60.	June 9, 2003	E-mail	Phillip Phillips	LG00829-830	Attorney/Client
		correspondence			Attorney Work
		-			Product
61.	June 10, 2003	E-mail	Phillip Phillips	LG00831-832	Attorney/Client
		correspondence	_		Attorney Work
		_			Product
62.	April 20, 2004	E-mail	David Allsbrook	KS00001-00002	Attorney/Client
]	· ·	correspondence			Attorney Work
					Product
63.	May 20, 2004	E-mail	Les Girard	KS0003	Attorney/Client
	,	correspondence			Attorney Work
					Product
64.	May 20, 2004	E-mail	David Allsbrook	KS0004-00006	Attorney/Client
	,	correspondence			Attorney Work
					Product
65.	May 20, 2004	E-mail	Les Girard	KS00007	Attorney/Client
		correspondence			Attorney Work
					Product
66.	June 24, 2004	E-mail	Pete Lynch	KS00008-00009	Attorney/Client
		correspondence			Attorney Work
					Product
67.	May 25, 2004	E-mail	Les Girard	KS00010	Attorney/Client
. }		correspondence			Attorney Work
					Product
68.	May 25, 2004	E-mail	Kelly Salt	KS00011-00013	Attorney/Client
		correspondence			Attorney Work
	<u> </u>		77.11.00.1		Product
69.	May 25, 2004	E-mail	Kelly Salt	KS00014-00015	Attorney/Client
		correspondence			Attorney Work
	36 05 000	*1	75 1 1 2 7	TAGOOGIA	Product
70.	May 25, 2004	E-mail	Rachel Young	KS00016-00017	Attorney/Client
		correspondence			Attorney Work
	3.6.65.600		** ** G **	Transacta	Product
71.	May 25, 2004	E-mail	Kelly Salt	KS00018	Attorney/Client
\	Ì	correspondence			Attorney Work
					Product
72.	May 25, 2004	E-mail	Rachel Young	KS00019-00020	Attorney/Client

# 000974

##	DOCUMENT	DOCUMENT	AUTHOR	BATES NO.	PRIVILEGE
	DATE	TYPE		RANGE	
		correspondence			Attorney Work Product
73.	May 24, 2004	E-mail correspondence	Kelly Salt	KS00021	Attorney/Client Attorney Work Product
74.	May 24, 2004	E-mail correspondence	Pete Lynch	KS00022-00023	Attorney/Client Attorney Work Product
75.	May 20, 2004	E-mail correspondence	Kelly Salt	KS00024-00025	Attorney/Client Attorney Work Product
76.	May 20, 2004	E-mail correspondence	Kelly Salt	KS00026	Attorney/Client Attorney Work Product
77.	May 20, 2004	E-mail correspondence	Jon Dunchack	KS0002700028	Attorney/Client Attorney Work Product
78.	May 20, 2004	E-mail correspondence	Kelly Salt	KS00029	Attorney/Client Attorney Work Product
79.	May 20, 2004	E-mail correspondence	Kelly Salt	KS00030	Attorney/Client Attorney Work Product
80.	May 20, 2004	E-mail correspondence	Les Girard	KS00031	Attorney/Client Attorney Work Product
81.	May 20, 2004	E-mail correspondence	Kelly Salt	KS00032-00033	Attorney/Client Attorney Work Product
82.	May 20, 2004	E-mail correspondence	Kelly Salt	KS00034	Attorney/Client Attorney Work Product
83.	May 20, 2004	E-mail correspondence	Kelly Salt	KS00035	Attorney/Client Attorney Work Product
84.	November 1, 2004	E-mail correspondence	Kelly Salt	KS00036	Attorney/Client Attorney Work Product
85.	October 25, 2004	E-mail correspondence	Kelly Salt	KS00037-00038	Attorney/Client Attorney Work Product
86.	October 25, 2004	E-mail correspondence	Kelly Salt	KS00039	Attorney/Client Attorney Work Product

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達#%	DOCUMENT	DOCUMENT	AUTHOR	BATES NO.	PRIVILEGE
	DATE	TYPE		RANGE	
87.	October 22, 2004	E-mail correspondence	Kelly Salt	KS00040	Attorney/Client Attorney Work Product
88.	July 19, 2001	E-mail correspondence	Elizabeth Kelly	DH00001	Attorney/Client Attorney Work Product
89.	March 4, 2005	E-mail correspondence	P. Lamont Ewell	LE00002	Attorney/Client Attorney Work Product
90.	March 19, 2004	E-mail correspondence	Brad Richter	CCDC00001- 00002	Attorney/Client Attorney Work Product
91.	August 13, 2004	E-mail correspondence	David Allsbrook	CCDC00007	Attorney/Client Attorney Work Product
92.	November 4, 2004	E-mail correspondence	Les Girard	CCDC00008	Attorney/Client Attorney Work Product
93.	August 26, 2004	E-mail correspondence	Kelly Salt	CCDC00114	Attorney/Client Attorney Work Product
94.	August 13, 2004	E-mail correspondence	Richard Opper	CCDC00117- 00118	Attorney/Client Attorney Work Product
95.	July 30, 2004	E-mail correspondence	Ken Cyr	CDDC00130	Attorney/Client Attorney Work Product
96.	July 30, 2004	E-mail correspondence	Jon Dunchack	CCDC00131- 00132	Attorney/Client Attorney Work Product
97.	July 30, 2004	E-mail correspondence	Maroun El-Hage	CCDC00133	Attorney/Client Attorney Work Product
98.	May 25, 2004	E-mail correspondence	Rachel Young	CCDC00143- 00144	Attorney/Client Attorney Work Product
99.	May 25, 2004	E-mail correspondence	Rachel Young	CCC00146- 00147	Attorney/Client Attorney Work Product
100.	May 24, 2004	E-mail correspondence	Jon Dunchack	CCDC00148- 00149	Attorney/Client Attorney Work Product
101.	April 27, 2004	E-mail correspondence	Brad Richter	CCDC00150- 00153	Attorney/Client Attorney Work

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#	DOCUMENT DATE	DOCUMENT TYPE	AUTHOR	BATES NO	PRIVILEGE.
					Product
102.	March 31, 2004	E-mail correspondence	Les Girard	CCDC00170	Attorney/Client Attorney Work Product
103.	March 25, 2004	E-mail correspondence	Kelly Salt	CCDC00174	Attorney/Client Attorney Work Product

RESOLUTION NUMBER R-	
	_
DATE OF FINAL PASSAGE	

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO WAIVING ITS ATTORNEY-CLIENT AND ATTORNEY WORK PRODUCT PRIVILEGES IN THE CASE ENTITLED FURGATCH v. SAN DIEGO UNIFIED PORT DISTRICT, ET AL.

WHEREAS, in February 2000, the City entered into a purchase and sale agreement with the San Diego Unified Port District [Port] whereby the Port would pay \$21 million for four parcels of land commonly known as Tailgate Park. The agreement benefited the City by providing funds for the ball park development. The Port would obtain the right to use the land for event parking and also enter into a lease agreement with the Padres to operate parking during the baseball games; and

WHEREAS, Plaintiff Harvey Furgatch, a former Port Commissioner, sued the Port to prevent the expenditure of Port funds for this purchase. The City intervened as an interested party. Plaintiff alleged that the land was overvalued, that it was outside of the tidelands managed by the Port and that the Port did not need additional parking; and

WHEREAS, an issue and a barrier to the finalization of the sale was the control the City would have over future use of this property. Thus, the City insisted that the land be subject to a conditional use permit [CUP]. The Port wanted to take the property free of land use restrictions. Because the parties failed to agree on this term, the City terminated the contract in August 2005; and

WHEREAS, The City's termination of the contract occurred during the trial of
Furgatch's lawsuit, the trial court deemed the matter moot and dismissed the lawsuit. Plaintiff
brought a motion for attorney's fees alleging his lawsuit, despite the dismissal, was a substantial

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factor in bringing about the termination of the purchase and sale agreement. The Court denied that motion. Plaintiff appealed and the appellate court remanded this matter to the trial court to allow Plaintiff discovery regarding the reasons why the City terminated the agreement. Further, the motion for attorney's fees will be reheard by the trial court after completion of discovery; and

WHEREAS, the City's ability to defend against Plaintiff's claim that his lawsuit was a substantial factor in the termination of the contract is supported by privileged documents and discussions between the City Attorney's office, the Centre City Development Corporation [CCDC] and the Redevelopment Agency. Specifically identified privileged documents are attached as Exhibit "1" and incorporated by reference herein; and

WHEREAS, waiver of the attorney client and work product privileges is necessary to defend Furgatch's claims;

#### NOW THEREFORE;

BE IT RESOLVED by the Council of the City of San Diego as follows:

1. That the City of San Diego waives its attorney-client and attorney work product privileges related to the reasons why the City of San Diego terminated the purchase and sale contract with the San Diego Unified Port District for the sale of Tailgate Park. Said termination of the purchase and sale contract is the subject of the waiver of privilege described herein. This waiver of privileges are specifically limited to the lawsuit known as *Harvey Furgatch v. San Diego Unified Port District, et al*, San Diego Superior Court Case No. GIC 775242 and further limited to the documents identified in Exhibit "1" attached hereto, referenced and incorporated herein, together with testimony of City personnel related to the reasons why the City terminated the purchase and sale contract.

2.	The waiver of the	privileges describe	d herein is not a "project" and	is therefor
exempt from	CEQA pursuant to S	State CEQA Guide	lines Section 15060(c)(3).	
APPROVEI	D: MICHAEL J. AG	ØIRRE, City Attor	ney	
By John Hust	Riley, Deputy City on Carlyle, Chief De	Attorney puty City Attorney		
HC:my 7/18/07 Or.Dept:Risl R-2008-2	k			
	ify that the foregoing meeting of		assed by the Council of the City	y of San
			ELIZABETH S. MALAND City Clerk	
			By Deputy City Clerk	
Approved: _	(date)		JERRY SANDERS, Mayor	
Vetoed:	(date)		JERRY SANDERS, Mayor	